

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**October 27, 2000**

**IN RE:**

**BELLSOUTH TELECOMMUNICATIONS, INC.'S  
TARIFF TO OFFER CONTRACT SERVICE  
ARRANGEMENT (TN 00-1495-00)**

**DOCKET NO.  
00-00403**

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**ORDER GRANTING APPROVAL OF BELLSOUTH  
CONTRACT SERVICE ARRANGEMENT (TN 00-1495-00)**

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This matter came before the Tennessee Regulatory Authority ("Authority") at a regularly scheduled Authority Conference on June 20, 2000 on the tariff filing of BellSouth Telecommunications, Inc. ("BellSouth") for approval to offer Contract Service Arrangement No. TN 00-1495-00 ("CSA"). BellSouth filed Tariff No. 00-00403 on May 22, 2000, with a proposed effective date of June 21, 2000.

Based upon careful consideration of the tariff filing and the attachments thereto, a majority<sup>1</sup> of the Authority finds and concludes:

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<sup>1</sup> Directors Greer and Kyle have consistently voted to approve this specific service type of CSA. Director Greer has voted to approve such CSAs because they benefit consumers and comply with BellSouth's tariffs. Director Kyle has stated on the record that the CSAs she votes to approve are a benefit to the consumer who is receiving lower rates and are not harmful to competition. Chairman Malone voted to deny this CSA consistent with both his reasoning and his votes against approval of similar specific service CSAs. Chairman Malone has opined in other dockets that approval of such CSAs without a thorough review and analysis may substantially impede the development of a competitive environment because there is not sufficient information available to determine whether the CSAs may be discriminatory, anticompetitive or in violation of state and/or federal law. Chairman Malone remains of the opinion that termination provisions containing ninety percent (90%) or one-hundred percent (100%) buyout clauses are so potentially anticompetitive as to warrant denial.

1. The purpose of this CSA is to provide a waiver of non-recurring charges and a 4.7 % discount off month-to-month tariff recurring rates for Frame Relay and Broadband Exchange Line-Fast Packet Option Service. This service is used for high-speed data transmissions.

2. The term of this CSA is twenty-four (24) months.

3. If the customer terminates the agreement prior to the expiration of the CSA, the termination provisions require the customer to pay BellSouth ninety percent (90%) of the remaining monthly recurring contract payments as well as the amount of nonrecurring charges previously waived and contract preparation fees of \$496.00.

4. BellSouth provided an addendum executed by the customer stating that the customer was aware of competitive alternatives available to it in Tennessee and that the customer and BellSouth have agreed on the termination provisions and that the termination charges represent a reasonable estimate of BellSouth's damages in the event of termination.

5. BellSouth supplied cost data which indicates that the price of services offered under the CSA exceed their long-run incremental costs. This data indicates that BellSouth has complied with the statutory price floor established in Tenn. Code Ann. § 65-5-208(c).

6. No parties sought to intervene in this docket.

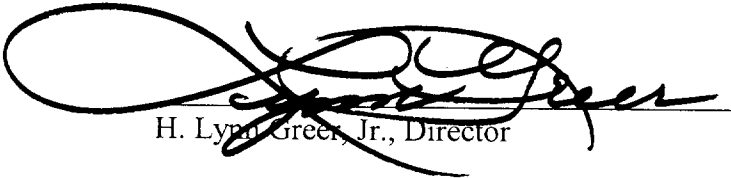
Based upon the foregoing, a majority of the Directors determined that the CSA in this docket should be granted.

**IT IS THEREFORE ORDERED THAT:**

BellSouth Telecommunications, Inc. Tariff No. 00-00403, which seeks approval of Contract Service Arrangement No. TN 00-1495-00, is hereby granted.

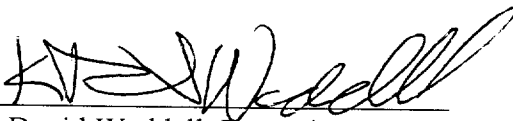
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Melvin J. Malone, Chairman

  
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H. Lynn Greer, Jr., Director

  
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Sara Kyle, Director

ATTEST:

  
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K. David Waddell, Executive Secretary

\* \* \* Chairman Malone voted against approval of this specific service CSA.